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No. Fin-Secy-PA-2000-Restructuring  
Government of Himachal Pradesh  
"Finance Department"

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To

1. All the Secretaries to the Government of Himachal Pradesh.
2. All Heads of Departments in Himachal Pradesh.

Dated Shimla-171002 the 19<sup>th</sup> March, 2001.

Subject: Core Guidelines for constitution of Autonomous Societies.

Sir,

This is in continuation of earlier letter of even number dated 28<sup>th</sup> February, 2000 on the above subject. Since the issue of these guidelines, a number of matters have been brought up by departments which have given rise to the need for a reformulation. Accordingly, the enclosed "Fresh Core Guidelines-2001 for the constitution of Autonomous Societies are being issued for your guidance.

Yours faithfully,

[Redacted signature area]

(Deepak Sarna),  
Commr.-cum-Secretary (Fin.) to the  
Government of Himachal Pradesh.

Encl.: As Above

F.D File No. Fin-C(B)-15-5/98

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**Fresh Core Guidelines for Framing Schemes for Placing Existing Government Functions in an Autonomous Body Mode-2001**

**1. Functions suitable for shifting to Autonomous Body Mode:**

- a) Wherever functions being performed are resulting in a hidden subsidy being passed on to sections of society with the ability to pay or willingness to pay for services rendered more efficiently.
- b) Wherever autonomy can be expected to yield greater accountability and productivity in performance of functions and provision of services.

The proposal must therefore, bring out the suitability of shifting to autonomous body mode in terms of above criteria by analysing the functions and the manner in which existing situation is leading to a hidden subsidy and/or loss of accountability/productivity.

**2. Objective to be served:**

- a) Create Incentive for better performance.
- b) Result in economy for government.

The proposal must be able to clearly demonstrate that both these objectives will be served by analysing existing and proposed situations with figures of receipts/expenditure and outcomes as far as possible.

**3. Dealing with Staff and Establishment Issues**

- a) Existing staff will continue to be borne on government rolls and all staff, office and establishment related expenditure bills will continue to be drawn from treasury as per budget provision as heretofore.
- b) Any fresh recruitment by the concerned unit, for any purpose including replacements for vacancies in regular establishment, will be done by the society and expenditure will be met out its own resources. Such recruitment will be based on such terms and conditions as decided by the society. They will be subject to the EPF Act as applicable and will not receive any benefits from the State Government.

**4. Dealing with Assets/Income from fees etc.**

- a) All assets, including fixed assets such as land, buildings or expensive operational equipment or machinery will continue to belong to the Government but the Society will have the right to retain all income accruing from use of these assets.

and levy of any fees for provision of services by the concerned government unit /institution/agency. Any assets created out of such income will belong to the Society.

5. Basic Provisions in Bye-laws of Proposed Autonomous Body:

- a) Public Servants at the level of Minister/Secretary/Head of Department/Senior Departmental Officer to hold all executive positions.
- b) Provision for government right to appoint/change the key personnel
- c) Representative of Finance Secretary to be kept as ex-officio member of Governing Body and Executive/Finance/Personnel Committee.
- d) Audit to be performed by any of the agencies specified by government (shall not be restricted to Chartered Accountant).

As a result of above arrangement, it will be seen that there will be no change in the existing setup relating to existing employees. They will continue to be borne on the budget and no grant-in-aid will be required to be paid to the new Society. The savings to government will be in the form of reduction of burden in terms of not having to pay for future staff additions and control on budgetary outgo on other related areas of expenditure. The gain for the unit/institution/agency going into Society mode will be in terms of an incentive to perform better since all income will be retained at that level.

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~~From~~

The Commr-cum-Secretary (Fin-Reg.) to the  
Government of Himachal Pradesh.

To

1. All Administrative Secretaries to the  
Government of Himachal Pradesh.
2. All Heads of Departments in H.P.

Dated Shimla-171002, the 23rd July, 2001

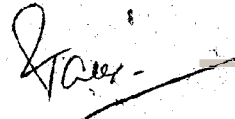
Subject:- Cone Guidelines for constitution of Autonomous Societies.

Sir,

In continuation of this department's letter of even number dated 19-03-2001 on the above cited subject, I am to enclose format No.10.A prescribed by the Income Tax authorities which is required to be sent in triplicate with the application for the registration of institution under section 12.A of the I.T. Act, 1961.

In case there is any such proposal in the Department, it may be ensured that this format is enclosed in triplicate. This may be followed strictly.

Yours faithfully,



Additional Secretary (Fin-Reg) to the  
Government of Himachal Pradesh.

FORM NO.10.A

[See Rule 17A]

Application for registration of charitable or religious trust or institutions  
Under section 12A(a) of the Income Tax Act, 1961

To

The Commissioner of Income Tax  
SDA Complex, Kasumpti,  
Shimla-171009.

Sir,

I, \_\_\_\_\_ on behalf of \_\_\_\_\_  
hereby apply for the registration of the said trust/institution under section  
12A of the Income Tax Act, 1961. The following particulars are furnished  
herewith.

1. Name of the Trust in full [in block letters]
2. Address
3. Name(s) and address(es) of author(s)/founder(s)
4. Date of creation of the trust or establishment  
of the Institution.
5. Name(s) and address(es) of trustee(s)/manager(s)

I also enclose the following documents.

1. (a) Original/Certified copy of the instrument under which  
the trust/institution was created/established together  
with a copy thereof.  
(b) Original/Certified copy of document evidencing the  
creation of the trust or the establishment of  
institution, together with a copy thereof. [The  
originals, if enclosed, will be returned].
2. Two copies of the accounts of the trust/institution for the ~~last~~  
one/two/three years.

I undertake to communicate forthwith any alteration in the terms of  
the trust, or in the rules governing the institution, made at any  
time hereafter.

Date :

Signature \_\_\_\_\_

Designation \_\_\_\_\_

Address \_\_\_\_\_

Fin (C) B (15)-5/98  
Government of Himachal Pradesh.  
Finance (Regulations) Department.

Dated Shimla-171002 the 20<sup>th</sup> June. 06.

From

The Principal Secretary (Finance) to the  
Government of Himachal Pradesh, Shimla-2

To

All the Administrative Secretaries to the  
Government of Himachal Pradesh.

All Heads of Departments  
in Himachal Pradesh.

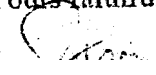
Subject: Core Guidelines for constitution of Autonomous Societies.

Sir,

In partial modification of this department's letters of even number dated 19.3.2001 and 25<sup>th</sup> July, 2001 on the subject cited above vide which core guidelines for constitution of Autonomous Societies were circulated amongst all concerned. Now it is proposed to add the following conditions:-

1. The Societies shall collect user charges as approved by the respective department of Government of Himachal Pradesh.
2. ~~These Societies~~ shall maintain proper accounts of its income expenditure and ~~get its balance sheets audited from the Examiner of Local Fund Accounts every year.~~
3. ~~25% of all~~ receipts collected on account of user charges shall be deposited in the receipts from Societies.
4. The ~~Society~~ will not recruit any person on regular basis. All persons appointed in the Society will be on contractual basis.
5. The Society shall not be authorized to incur any expenditure on purchase of vehicles, repair of Vehicles and Petrol Oil and Lubricants etc.
6. The Society shall not be authorized to spend money on foreign travel.
7. Society shall abide by norms of financial prudence in generation and expenditure of money and shall maintain proper accounts of all incomes and expenditure.
8. It shall be ensured that all taxes and fees fixed by the Government is credited to the Government account and in no case retained by the Society.

Yours faithfully,



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PERSONAL ATTENTION

NO. FIN(C) B(15)-5/98  
GOVERNMENT OF HIMACHAL PRADESH  
FINANCE (REGULATIONS) DEPARTMENT

DATED SHIMLA-2, THE 9<sup>th</sup> MAY, 2007.

The Pr. Secy. (Finance) to the  
Government of Himachal Pradesh.

To

1. All Administrative Secretaries of the Government of Himachal Pradesh.
2. All Heads of Departments in Himachal Pradesh

SUBJECT: CORE GUIDELINES FOR CONSTITUTION OF AUTONOMOUS SOCIETIES.

I am directed to invite a reference to this Department's letter of even number dated the 20<sup>th</sup> June, 2006 on the subject noted above and to say that vide condition No.6 of above letter, all departments were directed not to incur any expenditure from the Society on foreign visits. It has, however, been noticed that in spite of above instructions some departments are still sending proposals to F.D. for funding expenditure on foreign visits.

2. It is observed that various societies in different departments have been constituted with a view to allow autonomy in functioning. These societies are wholly controlled / managed by the functionaries of concerned departments and they have been authorized to use assets of the State Government, retain user charges / fees etc. which otherwise would have accrued to the Government. In order to avoid rejection of their proposals for foreign visits, some departments are coming forward with plea that they will fund such visits from funds of Society existing in that department. Since funding of most of societies is done by way of GIA from Government, use of assets of Government or retention of user / service charges etc., it means that indirectly Government money is being used by the Societies. It is felt that the funds of Societies should be utilized only for promoting the core objectives of the Societies.

3. Hence, keeping in view above position / facts, it is, once again re-iterated that the funds of Societies should not be used / utilized for funding of foreign visits of Government officials.

Yours faithfully,



Additional Secretary (Finance) to the  
Government of Himachal Pradesh